



March 2, 2017

Hon. Byron W. Brown
Mayor
City of Buffalo
65 Niagara Square; Room 201
Buffalo, NY 14202
bbrown@city-buffalo.com

Re: Airbnb and Short Term Rental Regulation in Buffalo

Mayor Brown,

I write to you today regarding the Airbnb community in Buffalo. We appreciate the opportunity to work with you and interested stakeholders to create rules that enable middle class Buffaloes to continue to use home sharing to make ends meet.

Before turning to issues related to potential short-term rental (STR) regulation, I want to provide an overview of Airbnb in New York and some of the tools we've used to establish trust and security on our platform.

Airbnb: An Overview of Our Community in Buffalo and Around the World

Airbnb was launched in 2008 with a single listing in a single apartment in San Francisco. Our founders-- recent (and unemployed) graduates of the Rhode Island School of Design-- were struggling to afford an increasingly expensive housing market and decided to open up their own home to host other artists who were in town for a design conference.

Eight years later, that single home share has turned into a platform that has brought over 150 million guests to nearly 3 million listings in 65,000 cities in nearly every country across the globe.

Of course, while Airbnb has used the power of the internet to bring together millions of hosts and guests, New Yorkers are well aware that home sharing didn't start with Airbnb. Rather, it is a historic tradition—in this state and others.

From Buffalo to Brooklyn, the Finger Lakes to the Hamptons, home sharing is an increasingly important component of the Empire State economy. In the last year alone, 48,800 residents welcomed over 2 million guests to every corner of the state, with an

additional 2.4 million New Yorkers using Airbnb to travel across the country and around the world.¹

The vast majority of these hosts-- 56 percent of whom are women--are individuals and families who share their homes occasionally to pay for their mortgage, medicine, and student loans, or save money for retirement or a rainy day.

In fact, last year, the typical host shared their home for less than four days a month, bringing in \$5,600 to help make ends meet.

The Airbnb host community in Buffalo is one of the strongest and most dynamic outside New York City. In the last year:

- 200 hosts welcomed 26,000 guests to the Queen City.
- The average host age was 43, with 38% of hosts over the age of 50, highlighting how home sharing is allowing people to “age in place” in the communities they love. In addition, 61% of Buffalo hosts are female.
- The typical Buffalo host earned \$7,200 last year by sharing their home for about six nights a month. Nearly one-half of listings are hosts sharing extra rooms, while the other half are “entire home” listings offered when hosts are out of town.
- The average age of guests is 35 and the typical group size is just 2.6 people, highlighting how most travelers to Buffalo are individuals, couples, and families.
- In addition, 30,000 Buffalo residents used Airbnb to travel.

Airbnb has grown dramatically in recent years and one of the reasons for our success has been our investments in innovative tools to protect hosts, guests, and neighbors:

- Airbnb uses sophisticated technologies and behavioral analysis techniques to help prevent potentially troublesome hosts or guests from utilizing the platform in the first place. For U.S. residents, Airbnb also runs host and guest information through several public databases to check if there are matches with certain felony convictions, sex offender registrations, or significant misdemeanors.²
- Airbnb maximizes transparency by allowing hosts to require that guests provide a government ID, and we created a program called Verified ID, which connects a person’s offline identification (a driver’s license or passport) with another online profile to their Airbnb account, such as Facebook, Google, or LinkedIn accounts.
- Airbnb encourages hosts and guests to communicate and get to know one another before a trip occurs. Like other online platforms like EBay, our community builds

¹ Statistics are for the year ending February 1, 2017.

² <https://www.airbnb.com/help/article/1308/does-airbnb-perform-background-checks-on-members>.

trust and a track record for users to be able to learn more about each other through publicly available reviews and feedback.

- We offer \$1 million Host Protection Insurance and a \$1 million Host Guarantee to help protect hosts and guests.³
- If a guest or a host ever have an issue, our global Trust and Safety team is on call 24/7 to help.
- In 2016, we launched the Neighbors platform-- a tool that allows people who may not even use Airbnb to report potential concerns directly to our staff for review. We've already taken action in response to complaints about specific listings and we will continue to take appropriate action where there is a pattern of problematic behavior by hosts or guests.⁴

Airbnb's Commitment to Collecting Taxes and Supporting Public Services

In addition to developing critical public safety tools, we are committed to working with states to efficiently and effectively collect and remit lodging taxes on behalf of our hosts and guests.

Airbnb believes that short term rentals should be taxed like any other transient lodging. Since 2014, the company has signed voluntary collection agreements (VCA) with over 230 jurisdictions around the world, including 10 counties in New York State. These VCAs have enabled us to collect over \$175 million to fund critical public services.⁵

Unfortunately, current state law prevents us from collecting and remitting state and local level sales and lodging taxes on behalf of our community. We have been fighting for the right to pay taxes in New York for years and will continue to do so, even as the big hotel industry continues to oppose these efforts.⁶

Airbnb projects that we would have generated \$90 million in revenues in New York the last year alone if the Legislature simply allowed us to collect and remit on behalf of our community. These funds could be dedicated to a variety of initiatives. For instance, Airbnb revenue in Los Angeles and Chicago supports services for homeless individuals, while taxes in New Orleans and Portland, Ore. fund affordable housing.

³ <https://www.airbnb.com/host-protection-insurance>; <https://www.airbnb.com/guarantee>.

⁴ <https://www.airbnb.com/neighbors>.

⁵ <https://www.airbnbcitizen.com/report-airbnbs-growth-sends-potential-tax-revenue-cities-soaring/>.

⁶ <https://www.airbnbcitizen.com/fiscal-flip-flops-big-hotels-and-taxes/>.

Airbnb Supports Regulation that Fosters Responsible Home Sharing and is Tailored to the Needs of Communities⁷

At the outset, we want to thank you and members of the City Council for doing your due diligence on the growing short-term rental industry. While many cities have refused to work with us on comprehensive regulations and failed to do their homework, you have taken a different approach, one that we hope will lead to nuanced regulations that safeguard quality of life, while ensuring that residents can continue to responsibly share their homes.

The economic opportunity provided by home sharing is particularly important for low and middle-income seniors, many of whom are on fixed incomes, Millennials, who face daunting student debt and a challenging job market even years after the Great Recession, and immigrant populations who are seeking to secure the American Dream of homeownership and entrepreneurship.⁸

To that end, Buffalo should follow the lead of other municipalities—from Philadelphia to Jersey City—that have passed comprehensive regulations that recognize the benefits of responsible home sharing, while establishing systems that provide regulators with tools to protect public safety.

These cities have acknowledged that all individuals, whether renters or homeowners, should be able to share their homes to make ends meet and that occasionally renting a home does not transform the property into a commercial hotel or bed and breakfast any more than a garage sale transforms a home into a mall or providing music lessons to local kids turns one's home into Symphony Hall.

Notably, Airbnb believes that traditional bed and breakfasts can benefit from the global reach of our platform. Indeed, given that we only take a 3 percent fee from hosts, traditional B&B's can advertise to millions of prospective travelers on Airbnb for an effective cost that is akin to the processing fees charged by most credit card companies. For an example of a bed and breakfast that earned over \$75,000 in incremental income from Airbnb last year, see the link below.⁹

While Airbnb has supported license/registration rules in a number of markets, we generally believe that individuals who occasionally rent their own homes should not be burdened by these requirements. For instance, in Philadelphia, the registration requirement is triggered if an individual rents her own home for more than 90 days,

⁷ <https://www.airbnbaction.com/wp-content/uploads/2015/11/Airbnb-Community-Compact.pdf>; The Airbnb Community Compact reads, in part, "Airbnb will partner with cities to address their individual policy needs."

⁸ <https://www.airbnbcitizen.com/wp-content/uploads/2016/11/NY-Student-Debt-Report-FINAL-11.1.16.pdf>; https://www.airbnbaction.com/wp-content/uploads/2016/03/Airbnb_60_Plus_Women_Report.pdf; http://immigrationforum.org/wp-content/uploads/2016/12/Airbnb_Home-Sharing_Full_Report_Final.pdf.

⁹ <http://www.app.com/story/news/local/redevelopment/2017/02/23/airbnb-bashes-toms-rivers-short-term-rental-ordinance/98312408/>.

while Jersey City, NJ requires registration only when a given individual offers five or more listings as short-term rentals.¹⁰

We also believe that all Buffalo residents—whether renters or owners—should be able to share their own home. At the same time, we understand that landlords remain free to impose—or not impose—restrictions on short term rental activity as part of a lease agreement and to enforce those restrictions as they see fit, consistent with the law.

We support efforts to ensure that short-term rental hosts have adequate insurance, provided that the ordinance allow platforms like Airbnb to satisfy this requirement on behalf of hosts. As noted above, Airbnb offers two overlapping \$1 million insurance policies that protect hosts, guests, and neighbors in the rare event of injury or theft.

As with any housing unit, the city has the right to inspect STR for code violations. This includes the 65,000 housing units that are renter-occupied in the Buffalo—a figure that represents the majority of housing units citywide.¹¹ We believe that existing codes that apply to these long-term (30+ day) rentals are sufficient to ensure public safety in homes that are occasionally used for short-term rentals.

Lastly, as is the case in cities across the country, we believe that accessory dwelling units (ADU) and/or guest houses should be allowed to be used for STR. These units are helping home owners stay in their homes by defraying the cost of mortgages/property taxes.

Conclusion

Please don't hesitate to reach out if you have any questions. We look forward to continuing to work with you to craft rules that protect quality of life while ensuring that home sharing can continue to be an economic boon in Buffalo.

Sincerely,

Andrew L. Kalloch
Airbnb

CC: Buffalo City Council

¹⁰ <http://www.phila.gov/li/PDF/Limited%20Lodging%20Information%20Flyer.pdf>;
[http://www.cityofjerseycity.com/uploadedFiles/Public_Notices/Agenda/City_Council_Agenda/2015/2015_Ordinance_2nd_Reading/Agenda%20Document\(19\).pdf](http://www.cityofjerseycity.com/uploadedFiles/Public_Notices/Agenda/City_Council_Agenda/2015/2015_Ordinance_2nd_Reading/Agenda%20Document(19).pdf).

¹¹ U.S. Census Bureau, American Community Survey 2015, S2502; Of the approximately 110,000 occupied housing units in Buffalo, 60 percent are renter-occupied.